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Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

Reference STB Ex Parte No. 656

Dear Mr. Williams:

I am the Director of Transportation for Acuity Brands Lighting, the largest commercial and industrial manufacturer of lighting fixtures in North America. It is my understanding that the Surface Transportation Board is considering the issue of extending the antitrust exemption that the National Classification Committee currently enjoys. We urge you to deny the continuance of this collective agreement.

In today's deregulated motor carrier environment, the NCC has outlived its usefulness. The classification of a particular commodity is only one characteristic involved in pricing decisions for carriers and shippers. The type of tender, volumes, destinations, handling characteristics, length of haul, pick up and delivery costs, and size of shipment associated with an account are all more pertinent factors in pricing than the classification.

In the days of regulation, the commodity classification was the only way to differentiate the pricing from one commodity to the next. The classification needed to be accurately determined as it was the only variable available to impact pricing. With deregulation, carriers commonly negotiate off of rate bases that are 10 plus years old, with varying FAK ratings. Discount levels of current carrier rate bases for even the small shipper routinely exceed 50%. Carriers are now free to use their own rate bases which incorporate their lane imbalances and have arbitraries built in. Carriers are free to seek rate increases on demand and can elect not handle certain commodities if they so choose. The point is the classifications for all general commodities are already established and used by carriers, in addition to all the other freight characteristics and pricing options at their disposal, to arrive at equitable pricing decisions. The precision of classifying commodities in order for carriers to price accurately is no longer necessary.

In recent years, the NCC has used their antitrust exemption to generate increased revenue for the motor carrier industry. They serve as judge and jury in determining whether they should allow themselves to enhance their own revenues with little recourse for shippers to realistically challenge their findings.

The National Classification Committee has served admirably over the years and helped insure a smooth transition from the regulated to deregulated times. However, in the current deregulated environment, the original reason for extending the NCC antitrust exemption no longer exists. We urge you to deny the continuance of this collective agreement.

Sincerely,

Scott Anderson
Director of Transportation
Acuity Brands Lighting